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McGUIREWOODS

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December 14, 2018

VIA ELECTRONIC FILING

Ms. Jocelyn G. Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Piedmont Natural Gas Company, Inc.
Docket No. 2018-7-G

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending September 30, 2018, for Piedmont Natural Gas Company, Inc.

If you have any questions regarding this filing, please contact me at the numbers shown above.

Sincerely,

/s/ Jasmine K. Gardner
Jasmine K. Gardner

Enclosures

cc: Office of Regulatory Staff
James H. Jeffries, IV
Pia Powers
Bruce Barkley
Brian Heslin

Net Operating Income and Rate of Return
For The Twelve Months Ended September 30, 2018
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 162,824,241	\$ (13,494,861)	\$ 149,329,380
Other Operating Revenues	713,876	-	713,876
Total Operating Revenue	<u>\$ 163,538,117</u>	<u>\$ (13,494,861)</u>	<u>\$ 150,043,256</u>
Operating Expenses			
Cost of Gas	\$ 72,107,649	\$ (3,447,813)	\$ 68,659,836
Other Operation & Maintenance	30,705,280	(970,784)	29,734,496
Depreciation	13,839,785	1,305,975	15,145,760
General Taxes	6,648,968	141,284	6,790,252
State Income Taxes	1,314,742	(196,102)	1,118,640
Federal Income Taxes	8,871,447	(4,408,073)	4,463,374
Amort. of ITC	(17,343)	-	(17,343)
Total Operating Expenses	<u>\$ 133,470,527</u>	<u>\$ (7,575,513)</u>	<u>\$ 125,895,015</u>
Net Operating Income	<u>\$ 30,067,590</u>	<u>\$ (5,919,349)</u>	<u>\$ 24,148,241</u>
Interest on Customer Deposits	(77,385)	-	(77,385)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	469,341	-	469,341
Customer Growth	207,466	(40,844)	166,623
Net Operating Income For Return	<u>\$ 30,667,013</u>	<u>\$ (5,960,192)</u>	<u>\$ 24,706,820</u>
Original Cost Rate Base			
Plant in Service	\$ 649,512,345	\$ -	\$ 649,512,345
Accumulated Depreciation	(238,944,048)	-	(238,944,048)
Net Plant in Service	<u>\$ 410,568,297</u>	<u>\$ -</u>	<u>\$ 410,568,297</u>
Add:			
Construction Work in Progress	26,869,665	-	26,869,665
Materials and Supplies	7,227,820	-	7,227,820
Cash Working Capital	1,951,467	(121,348)	1,830,119
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,179,966	-	2,179,966
Accumulated Deferred Income Taxes	91,897,490	-	91,897,490
Unclaimed Funds	144,338	-	144,338
Total Original Cost Rate Base	<u>\$ 352,395,455</u>	<u>\$ (121,348)</u>	<u>\$ 352,274,107</u>
Return on rate base	<u>8.70%</u>		<u>7.01%</u>

Net Operating Income and Rate of Return
 For The Twelve Months Ended September 30, 2018
 South Carolina
 Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			After Accounting and Proforma Adjustments						
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Pro Forma Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,783,740,260	-	\$ 1,783,740,260	46.60%	47.00%	\$ 165,568,830	4.67%	2.19%	\$ 7,732,064
2. Common Equity	2,043,977,639	-	2,043,977,639	53.40%	53.00%	186,705,277	9.09%	4.82%	16,974,756
3. Total	<u>\$ 3,827,717,899</u>	<u>\$ -</u>	<u>\$ 3,827,717,899</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 352,274,107</u>		<u>7.01%</u>	<u>\$ 24,706,820</u>

CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

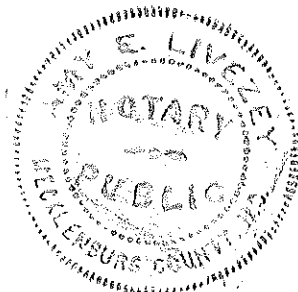
Steven K. Young
 Steven K. Young
 Executive Vice President and CFO

12/10/18
 Date Signed

Subscribed and Sworn to before me this
10th day of December, 2018.

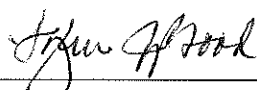
Amy E. Swartz
 Notary Public

My Commission Expires 11/16/22.

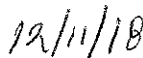


CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

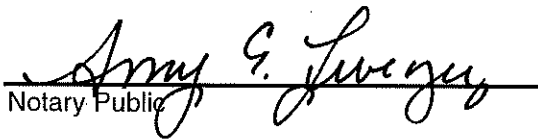


Lynn J. Good
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this
11th day of December, 2018.


Notary Public

My Commission Expires 11/14/22.



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and FedEx Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
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Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

Becky Dover
SC Department of Consumer Affairs
bdover@scconsumer.gov

and

Carri Grube-Lybarker
SC Department of Consumer Affairs
clybarker@scconsumer.gov

This the 14th day of December, 2018.

/s/ Richard K. Goley
Richard K. Goley